

MINUTES OF SPECIAL CITY COUNCIL MEETING
MARIN VALLEY MOBILE COUNTRY CLUB
100 MARIN VALLEY DRIVE
MONDAY, JUNE 4, 2012 – 6:30 P.M.

A. CALL TO ORDER

ROLL CALL

Mayor Athas
Mayor Pro Tem Eklund
Councilmember Kellner
Councilmember Lucan
Councilmember MacLeamy
Absent: None

Also Present: Assistant City Manager Cathy Capriola, Senior Engineer Julian Skinner, Finance Manager Brian Cochran, Assistant City Attorney Veronica Nebb and City Clerk Sheri Hartz.

B. APPROVAL OF FINAL AGENDA

*Mayor Pro Tem Eklund moved, Seconded by Councilmember MacLeamy, to approve the Final Agenda. **The motion carried unanimously.***

C. PUBLIC COMMENTS

None

D. CONSENT CALENDAR

1. ADOPT MINUTES OF FEBRUARY 27, 2012

*Mayor Pro Tem Eklund moved, Seconded by Councilmember Kellner, to approve the Consent Calendar, noting the amendment to the February 27, 2012 minutes as requested by Mayor Pro Tem Eklund, but declining to add a change requested by Mr. Owen Haxton. **The motion carried unanimously.***

E. GENERAL BUSINESS

2. UPDATE ON PROPERTY CONDITION REPORT AND STAFF'S
RECOMMENDED STRATEGY MOVING FORWARD

Consider providing direction to staff regarding the updated information presented and the recommended strategy on how to proceed with capital investments resulting from the Property Condition Report.

Senior Engineer Skinner gave the staff report, providing updates on the Property Condition and what has been done since the last meeting. He said that a consultant's report stated that most facilities are in good condition although at the end of what would be a normal service life. He said that no significant replacement would be needed over the next ten years and that there would be a master study process undertaken within the next three years to determine what would happen after that.

Mr. Skinner reported that water services had been identified as the first that would need replacement, but since they were located in a trench with other utilities, it would not be practical to replace them alone. Instead, he said a master utilities replacement plan would be created to reduce disruption in the Park. He said there were numerous options for providers and configurations to inform the master plan process and narrow the options. He stated that the report identified some minor items for maintenance in the near term, including two pump stations and needed ADA improvements. He also reported on six currently active slide sites, one of which should be scheduled for slide repair/mitigation in the coming year.

Mayor Pro Tem Eklund asked whether work replacing pump stations now would be wasted if the system is switched to another provider, to which Mr. Skinner replied that the work was needed regardless of what direction was taken on a provider.

PUBLIC COMMENTS:

1. Owen Haxton, regarding the electrical system, asked about the condition of the secondary system, stating it had failed some months ago which was very disruptive. He also stated that the switchbox could be hit by a vehicle and asked whether it could be moved away from traffic.
2. Jim Olson, the new PAC president, asked about ADA improvements to the clubhouse, stating he believed that there were no problems and wondered if the work needing to be done was related to City ownership.
3. Jim Harais stated it was not accurate to say that the secondary system did not need replacement and that the need for 220 installations must be addressed.

In response to the questions from the public, Mr. Skinner stated that the secondary system probably needs to be replaced in nearer time frame, but not within the coming 10 years. Regarding the switch box, he said he was waiting to hear from the consultant. On the question about the 220 amp service, he said that whether upgrades were needed would be part of the next phase.

*Mayor Pro Tem Eklund moved, Seconded by Councilmember Kellner, to direct staff to go ahead with the master planning process. **The motion carried unanimously.***

3. APPROVAL OF FINANCIAL ADVISORY SERVICES CONTRACT WITH PUBLIC FINANCIAL MANAGEMENT

Authorize City Manager to enter into agreement with Public Financial Management (PFM) for financial advisory services for the scope of work as

outlined and augment the budget for FY 11/12 by \$8,000 for Phase 1 of the contract.

Assistant City Manager Capriola gave the staff report, stating that outside expertise was needed to ensure that the property remained in public use for the purpose of continued affordable housing, to assure use of the property in a manner that was in the best interests of the community, and to ensure continued compliance with all of the MVMCC loan documents. She summarized the scope of work for PFM which included confirming the key financial requirements associated with the 1997 Bonds and review of the 1997 Bond transaction documents; gaining an understanding of the Park's financial condition, the projected credit ratings that could be achieved on a refunding transaction, and evaluation of the potential interest rates on the refunding; and, based on those findings, prepare an analysis of the economics of refunding the 1997 Bonds.

Councilmember MacLeamy asked for clarification of whether the purpose of the study was to determine if refinancing was economically advantageous, to which Ms. Capriola responded affirmatively, adding that, if it was, whether there are preferred options.

PUBLIC COMMENTS:

4. Owen Haxton asked for more information about the PFM company, such as who is the manager.

Sarah Hollenbeck, PFM, Senior Managing Consultant, stated that PFM was the largest financial advisory firm in country, and were ranked #1 in the U.S.

5. Rick Oltman inquired whether PFM would also be involved in the refinancing process as well.

Ms. Capriola responded that if we moved forward, PFM would assist us and be our advisor.

6. Mike Read asked whether \$8,000 would be taken out of the capital fund, to which Ms. Capriola responded that the preference would be to not make the full transfer to avoid debt service coverage.

7. Jim Harais objected to not having enough information and discussion.

*Councilmember Kellner moved, Seconded by Mayor Pro Tem Eklund, to approve entering into the agreement with PFM. **The motion carried unanimously.***

4. APPROVAL OF TRANSFER OF \$77,257.83 FROM THE SENIOR CASH TRAP TO PAY FOR FY 10/11 AND FY 11/12 UNBUDGETED MVMCC COSTS

Authorize staff to transfer \$77,257.83 from the Senior Cash Trap to Pay for FY 10/11 and FY 11/12 costs that were not budgeted, with the concurrence of Assured Guaranty.

Assistant City Manager Capriola gave the staff report, stating that this was a clean-up item related to the transfer of park, recommending reimbursement of the City from senior cash trap in the amount of \$71,335.93 to pay for costs that were not budgeted. She stated that a revised staff report, showing that correct amount, had been distributed to Council that day.

*Councilmember MacLeamy moved, Seconded by Councilmember Kellner, for FY 2010-2011 only, to authorize the transfer of funds. **The motion carried unanimously.***

5. FY 12/13 BUDGET – OPERATING AND CAPITAL FOR MVMCC

Presentation and overview of the annual MVMCC budget. Review, accept input, and take action on the FY 12/13 Operating and Capital Budget for the Marin Valley Mobile Country Club.

Assistant City Manager Capriola gave the staff report, stating that Al Frei had prepared the budget, which was then reviewed by the PAC, Assured Guaranty and the City. She said that Assured Guaranty had agreed to no rent increase after communication with the City. She added that some minor modifications had been made, that excess revenues had been looked at and it was believed that allocations to the capital budget could be increased.

Councilmember Lucan asked if we refinance and Assured Guaranty is no longer involved, would rent increases be spelled out in future agreements, to which Assistant City Attorney Nebb responded that when the park was first purchased by NFA all of the costs exceeded the appraised value of park so the City pledged from RDA funds to backstop subordinate bonds and as a result, the requirement to increase rent was placed into the documents. She explained that as debt moved down and value up, documents anticipated that the obligation be removed. She concluded by stating that whether additional security might be desired by any future financing agent depends on the transaction and that, if value remained in excess of debt, it likely would not be an issue.

PUBLIC COMMENTS:

8. Rick Oltman asked, regarding Ms. Nebb's response, what the estimated debt was.

Ms. Capriola responded that will be part of what we learn through working with PFM, and that pulling out money for desired projects may be an option.

9. Jim Olson, expressed his gratitude that there would be no rent increase, described some process concerns the PAC is experiencing, including that the PAC wants more involvement earlier and asked that Council use reserves thoughtfully.

*Councilmember Lucan moved, Seconded by Councilmember MacLeamy, to approve the annual operating and capital budget for MVMCC. **The motion carried unanimously.***

6. CONSIDERATION OF PARTICIPATION FOR MARIN VALLEY MOBILE COUNTRY CLUB MASTER METER ACCOUNT IN THE MARIN ENERGY AUTHORITY'S MARIN CLEAN ENERGY PROGRAM

Consider whether or not to enroll the Marin Valley Mobile Country Club (MVMCC) master meter electric account in the Marin Energy Authority's Marin Clean Energy "Light Green" Program (Program) or temporarily opt-out of the Program and keep the account with Pacific Gas and Electric (PG&E) until such time as City has the opportunity to discuss and receive input from the Park community.

Assistant City Manager Capriola gave the staff report, explaining the options available. She stated that staff wanted to conduct a public process to help in making the decision, and there had not yet been sufficient time for that outreach process. She recommended staying with PG&E for the time being, and taking six to nine months to do research before coming back to make a decision.

Councilmember MacLeamy asked whether the Council had the ability to make this decision separately from other City facilities, to which Ms. Capriola responded affirmatively, stating that the choice would be made individually, meter by meter.

PUBLIC COMMENTS:

10. Kathy McMudie inquired whether there would ever be SMART meters at the Park which she would oppose for health reasons, to which Ms. Capriola responded not in the near future and that would be considered if the Park moved away from a master meter.
11. Jay Shelfer stated he supported delaying the decision and would like solar panels to be considered.
12. Owen Haxton emphasized consideration of opinions of Park residents, which he appreciated.
13. Jim Harais stated that a study had been done on installing solar panels on the clubhouse walls which was not financially practical at that time.

Councilmember Kellner moved, Seconded by Mayor Pro Tem Eklund, to approve opting-out of Marin Clean Energy for the MVMCC master meter account at this time to enable the City to provide more information and engage in more outreach to the residents about MEA. The motion carried unanimously.

7. TRAFFIC CONTROLS AND ENFORCEMENT MARIN VALLEY MOBILE COUNTRY CLUB

Staff will present a proposal to improve traffic controls within the Marin Valley Mobile Country Club.

Mr. Skinner provided an update on MVMCC's request for the review of existing traffic controls within the Park. He said that the existing stop and speed limit installations were enforceable, though they could be upgraded to meet current requirements, on an as-needed basis. Regarding speed limits, he stated that there were basic speed laws governed by the State, which is what makes them enforceable. He stated that there is a 15 mile per hour category of speed limit meant specifically for mobile home parks, but that Council would need to adopt an ordinance to put that into effect. He said another option was to install warning signs which would be advisory but not enforceable and that staff was recommending that Council adopt speed limits for all roads within the community at its next MVMCC meeting.

Jim Olson, PAC President, stated that this issue has been present for over 10 years and that most of the problems involve speeding downhill and the stop signs on Marin Valley Drive. He wondered if there could be some Police Department assistance or enforcement and hoped that controls could be adopted only where needed.

Mayor Pro Tem Eklund asked whether there was current Police enforcement, and Ms. Capriola responded that there had not been but would be now that the speed limit sign had been installed on Marin Valley Drive. Mr. Skinner confirmed that no Council action was required to allow enforcement of posted speed limit.

Councilmember Lucan asked for confirmation that all the current stop signs are enforceable, which they were. Ms. Capriola stated that the intent of this item, which had expanded somewhat through the research process, was to lay out all options so that traffic could be looked at once, and the desired changes made.

Jim Olson stated that the diagram included with packet showed current enforcement only down to the first stop sign and wondered about the rest of Marin Valley Drive. He said it would have been preferable to have had all of the information ahead of time to discuss with residents and then develop PAC recommendations.

Mr. Skinner stated that, no matter what the posted speed limit was, a driver may not operate faster than what is prudent. Mayor Pro Tem Eklund inquired whether a police officer could cite someone for going through a stop sign within the Park, to which Mr. Skinner replied that they could.

Councilmember MacLeamy pointed out that there were 15 mph markings on the pavement, and Mr. Skinner said they were probably out of date and that he would check with Police. Councilmember MacLeamy continued that the PAC should talk to the residents to assure that they wanted reduced speed limits posted, knowing that they might be cited, and that plenty of warning should be given before enforcement begins.

PUBLIC COMMENTS:

14. Jim Harais stated that speed limit signs, police patrols and a radar truck at the bottom of the hill had all helped and that the main problem was not residents but delivery trucks and non-residents.

15. Connie Marelich stated she observes rampant running of stop signs, many of which are visually obstructed, and that delivery trucks are the big offenders.

16. Bill Davis stated that everyone rolls through stop signs and that, since the Park's streets are curvy, a 25 mph speed limit was excessive. He said that if we had power to reduce it to 15 mph, it should be done but that the police should not be brought out to ticket seniors.
17. Owen Haxton stated he didn't believe that there was an enforcement problem and that the issue should be handled by management.
18. Kathryn McMudie said that she was worried about safety.

Mayor Athas asked for confirmation that a speed limit under 25 mph was enforceable, to which Mr. Skinner replied that it was in a mobile home park, per the vehicle code, if a public hearing were held.

Mayor Pro Tem Eklund said that she appreciated the extensive research, even though it was more than what was asked for, but would want to get input from residents before any action was taken. She suggested holding off until the next meeting to give PAC and the residents time to respond.

Council discussion ensued as to appropriate next steps and it was agreed that action be delayed to allow resident input and to see if recent enforcement results in behavior changes around speeding. Ms. Capriola added that it would be advisable to have Police and Public Works representatives come speak to residents and to schedule this item on the October meeting agenda, to include a joint recommendation from PAC and City staff. Ms. Nebb suggested that a public hearing could be scheduled at that time so that action could be taken if desired.

PUBLIC COMMENTS:

19. Warren Edgar stated his concern about the crowded parking and speeding along Marin Valley Drive, that someone senior might hit a child.

F. REGULAR REPORTS

8. MVMCC BUCKET ANALYSIS FOR THE PERIOD ENDING APRIL 30, 2012

Finance Manager Brian Cochran gave the staff report, explaining that the analysis reports available amounts in the fund and reports how they are distributed.

To a question from Mayor Pro Tem Eklund, Mr. Cochran explained that the Owner's Expense Account was not often used, and so built up a balance. Ms. Capriola added that the account was in the budget every year, and was used for staff costs, legal counsel and meeting expenses. She said that those costs fluctuate by year, depending on need, and that at the end of the year, the City receives repayment for what has been expended.

PUBLIC COMMENTS:

20. Rick Oltman stated concern about money held in Europe, and asked whether consideration had been given to the volatility of the Euro. Mr. Cochran responded that these were guaranteed funds, but if there were a bank default, we would need to get a new guarantee.

He said that the City is notified if banks are downgraded and, that if they are, they would have to post collateral.

21. Kathryn McMudie was concerned that bank itself is in Europe, stating we should “get out of Dodge.” Mr. Cochran stated that PFM will be looking at other possibilities.

9. PARK MANAGEMENT UPDATE: AL FREI

Mr. Frei reported on the fire fuel reduction plan in the Park, being conducted in collaboration with the Fire District. He said it included weed and brush abatement, along with tree trimming, was 95% complete and had this year started in May due to the fire threat. He stated that the Fire District had been invited to review the plan so they could identify areas of concern, but no changes had been recommended.

He also stated that the seismic retrofit of the east wall had recently been completed, and that while there were many unforeseen issues with project, it stayed on budget.

10. UPDATE FROM PAC: JIM OLSON, NEW PAC PRESIDENT

New PAC President Jim Olson introduced the other new PAC Board members: Peggy Hill, Jay Schelfer, Larry Cohen and Jack Brandon. He stated that the next PAC meeting would be held on June 27, 2012.

G. BOARD/STAFF COMMENTS

11. Staff Updates
Delegation Agreement and Management Agreement – Location of final executed copies for reference by residents

Ms. Capriola provided a brief update, stating that the Delegation and Management Agreements are final and executed and available in several locations on the web.

12. Determine next meeting date – July 9, 2012
Financial Analysis on refinancing
Discussion to determine if the Council wants to add a “Discussion Regarding the Long Term Ownership of MVMCC” to the work plan for the City for FY 12/13.

Ms. Capriola suggested two location options for the next meeting - either at the Park on July 9 or at the Council Chambers on July 10th, which would be televised.

In response to Council questions, Ms. Capriola stated that the meeting would probably last about one and a half hours, and that the long term ownership of the Park and the refinancing would be discussed.

PUBLIC COMMENTS:

22. Kathryn McMudie urged holding meeting at Park, stating that attendance would be greater.

Connie Marelich requested that refinancing of the bonds and what the options are for long term ownership be discussed.

23. Rick Oltman supported holding the meeting at the Park and clarified that the conversation was about long term ownership, not transfer.

24. Anila Manning supported holding the meeting at the Park.

25. Jack Brandon asked for clarification of why a decision could not be made at this meeting, to which Ms. Capriola responded that it had not been properly agendized and that we wanted to make sure there was enough notice.

26. Owen Haxton asked whether Council was planning to meet with residents to find out what they want to do about ownership, stating most of them have an idea of what should occur, but don't know how or have the money to do it.

Mayor Athas responded that would happen at the next meeting. Ms. Nebb clarified what would happen at the next meeting, stating Council would answer the question of whether this discussion would be opened, and if so, what the work program for staff would look like. She said that the decision would be made at subsequent hearing with full information having been provided.

Council concurred that the meeting should be held on Monday, July 9, 2012, at the MVMCC Clubhouse.

Mayor Pro Tem Eklund asked if a better idea of the process would be given at the July 9th meeting so that adequate public involvement can be ensured, to which Ms. Capriola responded that it was anticipated that Council would ask for an outreach process, that the approach will be multi-faceted and that staff will be looking for feedback.

H. ADJOURNMENT

The meeting was adjourned at 8:30 p.m.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Novato City Council.

Sheri Hartz, City Clerk